

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTO 05937 291736Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 COME-00 CIAE-00 DODE-00
INR-07 NSAE-00 PA-01 USIA-06 PRS-01 SP-02 TRSE-00
OMB-01 /041 W
-----091410 300516Z /11
R 291705Z SEP 77
FM AMEMBASSY SANTO DOMINGO
TO SECSTATE WASHDC 2158

LIMITED OFFICIAL USE SANTO DOMINGO 5937

EO 11652 NA
TAGS: PGOV, ETEL, DR
SUB: MEETING WITH PRESIDENT BALAGUER: TELEPHONE COMPANY PROBLEM

REF: SANTO DOMINGO 5920,

1. DURING MEETING DESCRIBED REFTEL, I RAISED THE NEED FOR HIS DECISION ON THE TELEPHONE COMPANY ISSUE. (FOR DEPT BACKGROUND, THE GENERAL TELEPHONE COMPANY, CANADIAN, MANAGED LOCALLY BY AN AMERICAN, OWNS AND OPERATES THE DOMINICAN TELEPHONE SYSTEM. IT HAS A CONTRACT THAT GUARANTEES IT FIFTEEN PERCENT PROFIT WITH PROVISION THAT SHOULD PROFITS DIP BELOW THAT FIGURE, AN INCREASE IN RATES WOULD ENSUE. ON THIS BASIS GENERAL TELEPHONE ASKED FOR AN INCREASE MORE THAN A YEAR AGO. PRESIDENT BALAGUER APPOINTED A COMMITTEE TO STUDY THE MATTER AND AFTER MUCH DELAY THE COMMITTEE AGREED THAT THE RATE INCREASE WAS WARRANTED. BY THIS TIME, BALAGUER DECIDED THAT A RATE INCREASE DURING THE PRE-ELECTORAL PERIOD WOULD BE IMPOLITIC. GENERAL TELEPHONE COUNTERED THAT IT WOULD BE REQUIRED TO TAKE SEVERE AUSTERITY MEASURES, INCLUDING CUT BACK ON PERSONNEL AND SERVICE. I ARRANGED A MEETING BETWEEN BALAGUER AND A SENIOR GENERAL TELEPHONE EXECUTIVE FROM THE U.S. TO ASCERTAIN WHETHER SOME MIDDLE GROUND

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANTO 05937 291736Z

EXISTED THAT COULD SOFTEN THE ADVERSE POLITICAL EFFECT OF THE PROPOSED TELEPHONE COMPANY MEASURES. THE ENSUING DISCUSSION RESULTED IN THREE TELEPHONE COMPANY PROPOSALS SHORT OF A GENERAL RATE INCREASE WHICH, IF THE GODR ACCEPTED, WOULD ENABLE THE TELEPHONE COMPANY TO ESCHEW THE MORE DRASTIC, POLITICALLY ADVERSE MEASURES. SINCE THEN (AUGUST), THE PRESIDENT'S ECONOMIC ADVISER, CARLOS

SELIMAN, HAS BEEN STUDYING THE TELEPHONE COMPANY PROPOSALS.) I INFORMED BALAGUER THAT THE TELEPHONE COMPANY FELT THAT IT WOULD HAVE TO IMPOSE ITS AUSTERITY MEASURES UNLESS IT HEARD SOON. BALAGUER REPLIED THAT SELIMAN WAS STILL ANALYZING THE LATEST TELEPHONE COMPANY PROPOSALS AND THAT HE WOULD SPUR HIS ECONOMIC ADVISER.

2. I SAW SELIMAN AT THE SIGNING CEREMONY WHO ASSURED ME THAT THE FINAL TOUCHES WERE BEING PLACED UPON A DECREE PUTTING INTO EFFECT MOST OF THE AGREED UPON MEASURES. HE EXPECTED THAT THE DECREE WOULD BE ISSUED BEFORE THE END OF THE MONTH.

3. SUBSEQUENT CONVERSATION WITH THE MANAGER OF THE TELEPHONE COMPANY INDICATES THAT HE IS NOW CAUTIOUSLY OPTIMISTIC THAT A SHOWDOWN BETWEEN THE GODR AND THE COMPANY AT THIS SENSITIVE PRE-ELECTORAL PERIOD WILL BE AVOIDED.
HURWITCH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, TELEPHONE SYSTEMS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANTO05937
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770356-0567
Format: TEL
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977097/aaaaafzl.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 05db7f47-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 SANTO DOMINGO 5920
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1294795
Secure: OPEN
Status: NATIVE
Subject: MEETING WITH PRESIDENT BALAGUER: TELEPHONE COMPANY PROBLEM
TAGS: PGOV, ETEL, DR, US, (BALAGUER, JOAQUIN)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/05db7f47-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009